

SEEING YOU THROUGH THE BUSINESS MAZE



ARE YOU ONE MONTH AWAY FROM BANKRUPTCY?

How much does it cost you to live?

Do you know what your *essential* expenditure costs each month?

Mortgage, Food, Gas, Electric, Water, Phone, Council bills, Car, Children ...?

Add to this your non-essential items like holidays, going out, club membership fees etc. What does it come to then?

How long could you survive on your savings if you were unable to work due to ill health?

Which? Magazine said the one protection policy every working adult in the UK should consider is Income Protection. Yet more people in the UK insure their pets, cookers, TV's and phones, forgetting to insure the very thing that pays for it all - their income.

Recent research conducted by Aviva has found that around 25% of families in the UK have no savings to fall back on.

It also found that nearly half of families couldn't support their lifestyles for more than a single month if the main breadwinner was unable to work.

A further report by the Policy and Public Affairs conducted by the CII, [Building Resilient Households](#), found that 1 million people in the UK suffer a prolonged absence from work due to sickness each year, but only 1 in every 10 have some form of insurance.

As a result, the report stated: "Many families suffer financial hardship and lasting damage when there is a prolonged absence from work due to sickness."

Moreover, the report found there were several factors that could exacerbate the financial hardship of being out of work due to illness, all the while the mortgage, bills, household expenses, school fees and other associated costs of living have to be met each month. Sometimes worrying about the financial hardship could actually prolong the recovery process.

Despite this, the majority of people have no form of income protection in place.

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What would you do if you were unable to work long term due to ill health?

How will the bills be paid if income stops?

State benefits have been greatly reduced in recent years and could be reduced even further as the Government looks to tackle the welfare budget.

In the event of ill health, most people have to rely initially on Statutory Sick Pay of £89.35 a week.

Statutory Sick Pay is not available to the self-employed.

Dependent on the illness or disability, further benefits may be payable, but often the payments aren't enough to help them meet inescapable household commitments.

You may also be able to get assistance with your mortgage interest payments, but a waiting period applies. *Do you know how long that is?

What can I do to protect my income in the event of ill health?

Income Protection covers your income if you are unable to work and earn a living due to illness or injury and will normally pay benefit monthly, usually after a pre-determined waiting period. It is a long-term plan providing cover all the way up until the age you expect to retire, meaning that these plans can pay out for many years if you are not well enough to return to work.

You will receive your benefit and can use it to meet your essential outgoings like bills, mortgage and food.

***The waiting period for mortgage interest payments is 39 weeks!**

We can help you put in place protection for your income.

Contact Kim or Mal at our Wealth Management team on 0113 234 0000 or mal@hentons.com or kim@hentons.com